

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>November 13, 2013</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2013-208-E</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u></u>

**SUBJECT:**

DOCKET NO. 2013-208-E - Application of South Carolina Electric & Gas Company for Approval to Continue Demand Side Management Programs and Included Rate Rider, and for Approval of Revised Portfolio of Energy Efficiency Programs - Discuss this Matter with the Commission.

**COMMISSION ACTION:**

Move that the Application in this matter be approved, as amended by the Settlement Agreement. Likewise, I move that we adopt and approve the Settlement Agreement in this case as a reasonable resolution of the issues before us, and that we hold that adoption and approval of that Agreement is in the public interest. Specifically, I further move that we approve the tariff sheet which appears as Hearing Exhibit No. 3 in the record of this case as modified, and that we direct the Company to update the tariff sheet consistent with the Settlement Agreement and the final Order in this case.

In making this Motion, it is my intent to authorize SCE&G to:

- a. Recover the actual program costs associated with developing, implementing, and administering its DSM programs and to amortize those costs over five years with unrecovered balances bearing carrying costs at the Company's weighted average cost of capital;
- b. Recover the net lost revenue resulting from the programs limited to a rolling three-year period;
- c. Collect a shared savings incentive equal to 6% multiplied by the estimated net benefits of each energy efficiency program calculated using the Utility Cost Test, and amortized over five years without interest or carrying costs added to the calculation of the annual rate rider; and
- d. Continue the operation and maintenance of a DSM account in which it may defer DSM costs until further Order of the Commission.

I also move that SCE&G's DSM programs, as approved by this Commission, shall continue for six years after the date of the Commission's merits order in this case, and that after the six-year time period has elapsed, any party may request a review of the terms and conditions of the DSM rate rider mechanism and propose changes to the mechanism. I do believe that, even while adopting this condition, the Commission retains the ability to review the terms and conditions of the DSM rate rider mechanism and associated matters at any time. It is important for programs to be designed and implemented in a way that allows all ratepayers the opportunity to participate in the potential savings offered by the Company's programs. Otherwise, there is a concern about the potential adverse impact of rate increases, especially to low-income ratepayers and renters, as a result of the future application of the Company's proposals. I further move that the Company be authorized to modify, amend, terminate, or add any measure or program to its suite of programs without the requirement of seeking prior Commission approval, however, the Company should timely report such changes to the Commission. I also move that the Company be directed to follow the same procedure with regard to reports and filings as has already been established. Lastly, I move that we hold that qualifying industrial and commercial customers may opt out of SCE&G's DSM programs in accordance with the terms and definitions set forth in the upcoming Commission Order in this matter and the Settlement Agreement. Under these documents, current opt-out notifications presently in effect for industrial customers will remain in effect under the reauthorization of the rate rider, and an industrial or commercial

customer that opts in to the DSM programs must remain in the program for a minimum of five years from the date the customer accepts the DSM rebate from the Company. The environmental intervenors in this case made many recommendations that may be of merit. Accordingly, I believe that our Order should encourage the Company to review such measures and other proposals as appropriate, and to continue the present spirit of cooperation with all parties present in this case. The Company should include in its 2014 annual update a description of how the recommendations have been taken into consideration.

PRESIDING: Hamilton

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER	
FLEMING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HALL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	Commission Business
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
HOWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Not Voting</u>	Absent the Day of the Hearing
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
VACANT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

(SEAL)

RECORDED BY: J. Schmieding

